

Company announces Mexican subsidiary

Capitalizing on falling trade barriers and the expansion of technical development in many Latin American countries, Compaq announced its nineteenth subsidiary in Mexico City June 25.

Compaq began sales operations in Latin America in 1989 by authorizing dealers in Chile, Colombia and Venezuela. In 1990, the company authorized dealers in Mexico City, Argentina, Ecuador and Trinidad. This came on the heels of the opening of Mexican borders to imported computers in April 1990.

The Latin American PC market grew 17 percent last year. "We are very

excited about the opportunities in this market. And we are encouraged by the strength and vitality demonstrated by the

'... we wholeheartedly support the movement toward a free trade agreement between our two countries ...'

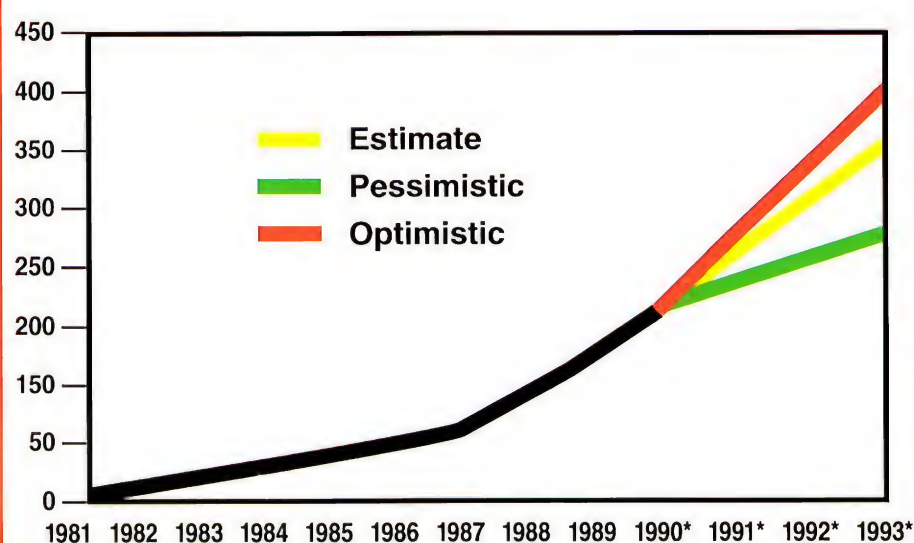
Mexican economy," Eckhard Pfeiffer, Compaq COO, said during announcement ceremonies. "With the establishment of Compaq Latin America and the opening of Compaq Computer de Mexico, we are pledging our support and commitment to this growing, dynamic market."

Pfeiffer spoke at the opening along with Manuel Parra, Vice President and General Manager for Compaq Latin America, and Oscar Lopez Alatorre, Director General for the new subsidiary.

The Mexican PC market is predominantly centered in Mexico
continued on page 4

Company launches Japanese subsidiary –
See Page 4

Mexican PC Market (millions of units)



Source: D.R. Select 1990

*Estimate

'Most powerful computer' serves those with highly technical needs

The company's most powerful PC, the COMPAQ DESKPRO 486/50L, is designed for engineers, scientists and other professionals who work with large volumes of computer code and data.

Announced around the world June 24, the 50-MHz desktop also delivers advanced processing power as a network server or multiuser host.

Shipment of the new product will begin in the third quarter of this year.

One industry analyst credited Compaq with making "the right calls by pricing it aggressively when PC buyers are focusing on getting a good deal."

The new computer features innovations in high performance storage expansion and drive array support, two areas that address advanced departmental computing applications.

Vice President of Product Marketing Lorie Strong said the June 24 announcement enabled Compaq to "underscore its position as the PC market's technology leader, breaking new ground with innovative, high-performance PCs and system enhancements. The COMPAQ DESKPRO 486/50L and new storage enhancements expand the company's already broad array of 486-based PCs and
continued on page 3



The primary target markets for the COMPAQ DESKPRO 486/50L include design engineers who use calculation intensive CAD/CAE applications, software developers who compile large amounts of data and scientists and researchers who require quick analysis. It is ideal for departmental networks calling for PCs with great processing power to run applications such as databases, multiuser UNIX and accounting/transaction processing applications.

Visitors to facilities must follow guidelines

Most Compaq employees are proud of the company's manufacturing facilities and processes and want to show them off. For safety and confidentiality, certain guidelines must be followed in Houston site visits.

Before an employee can take a visitor onto a manufacturing floor, a formal request must be made to the building's site manager. Showing our facilities to a visitor from the second-floor balcony does not require approval. Only those with a business need to know are allowed on factory floors. Family members, friends and others must stay on the balcony.

Facilities may be closed or secured for confidentiality reasons; at these times, no visitors will be allowed.

There are two kinds of floor "tours" – front aisle, or the front of the building, and full floor, access to the entire manufacturing floor. These must be scheduled through building site managers at least 48 hours in advance.

Before approval can be granted, the following information must be bmailed to the site manager or a designee:

- Visitors' names
- Company represented
- Purpose of tour
- Date and time of tour
- Compaq host
- Is a tour guide needed?

A non-disclosure agreement signed by the company representative requesting the tour must be on file with the Legal Department, 374-2935, before approval will be considered.

When the visit is approved, Compaq Security personnel will be alerted, and the Compaq host must check in at the security desk before proceeding.

Badges and safety glasses must be worn while on the manufacturing floor. Badges are available at the guard station and must be returned. Safety glasses will be supplied. Cameras and video cameras are not allowed in manufacturing facilities without prior approval.

Open-toed shoes and handbags are also not allowed on the floor.

Vendors who enter a manufacturing facility to visit an office and not the manufacturing floor do not need tour approval. After checking in and receiving a visitor's badge, they may be shown the factory floor from the balcony.

As usual, employees are asked to participate in the safety and confidentiality of our business. Question employees and visitors who are not wearing badges. Make sure they have prior approval – indicated by the badge type – before allowing them onto the manufacturing floor.

Three products tested

New manufacturing processes eliminate CFCs

Compaq has introduced a new manufacturing process that eliminates chlorofluorocarbons (CFCs). To start, this new process is being used to manufacture three COMPAQ components – the COMPAQ LTE modem, the COMPAQ SLT memory expansion board and the COMPAQ LTE/286 processor board.

Developed by the company's manufacturing and process engineers, the CFC-free process will be implemented in Compaq Houston and Singapore PCB manufacturing facilities.

CFC solvents (Freon) clean residues from printed circuit board assemblies after electronic components are soldered. Most solder flux is acid-based and can corrode after exposure to hot and humid weather – eventually degrading circuit board performance and reliability.

The new "no-clean" process uses soldering material that does not corrode, allowing for elimination of cleaning with a CFC agent.

All three products manufactured with the "no-clean" process have undergone a Compaq reliability test. This consists of 1,000 hours of exposure to heat and humidity – 500 hours in 85 percent relative humidity and

500 hours at 90 percent relative humidity. During this test, no failures could be attributed to the new soldering material.

The paste – or flux – is visible on the PCBs, but not highly noticeable. The caramel-colored flux left on the boards will not cause a drop in product reliability.

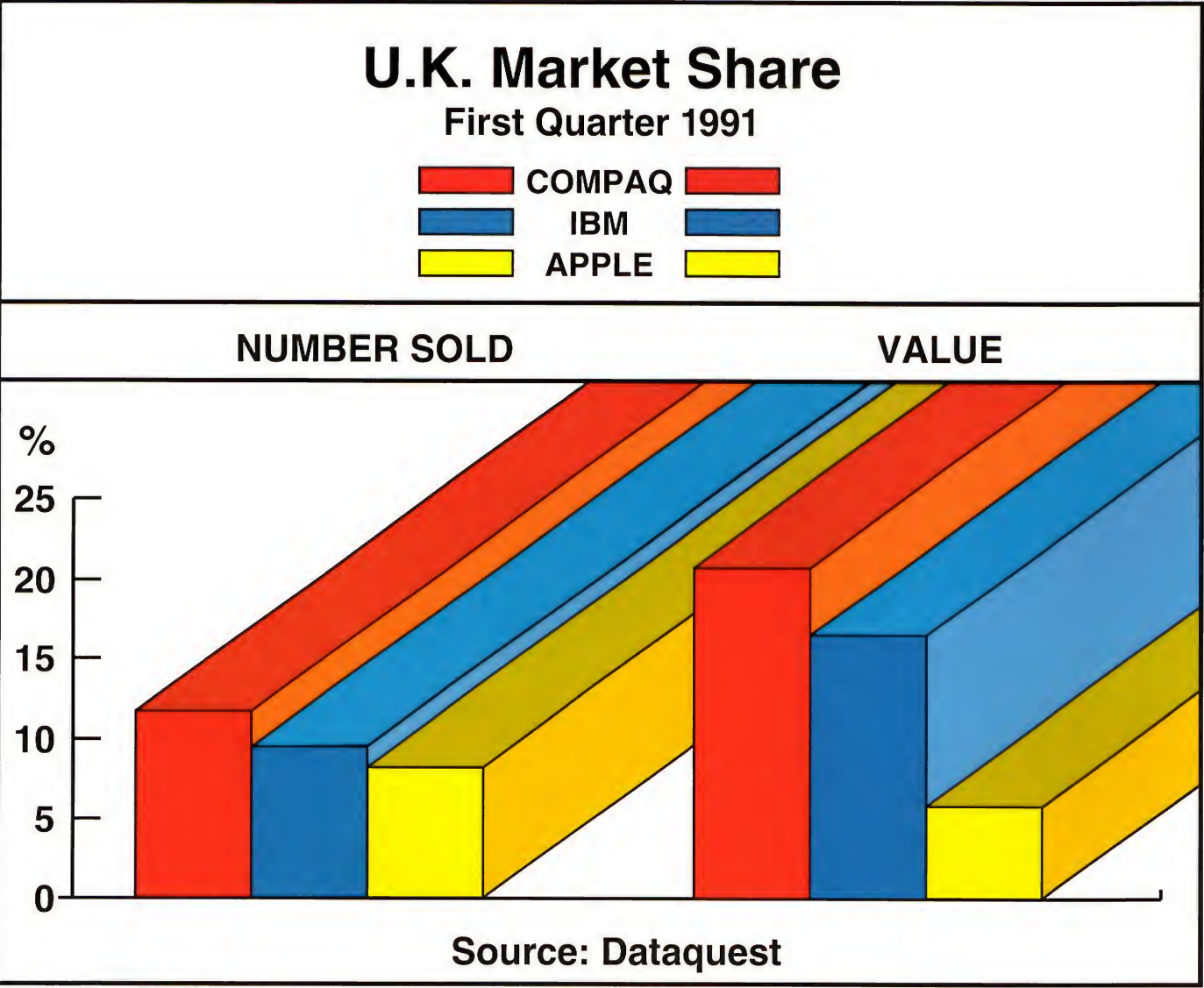
Compaq currently utilizes CFC-113, trade named Freon TMS, as a cleaning solvent in the manufacturing process of complex printed circuit board assemblies. Although CFCs pose no immediate health risks to those handling it, many scientists believe they contribute to ozone depletion in the earth's upper atmosphere.

"Compaq plans to eliminate the use of CFCs in the manufacturing of its products by no later than 1995," says Bill Ramsey, Vice President-Manufacturing. The company's goal is to reduce its use of CFCs 50 percent by 1993.

The electronics industry uses 20 to 25 percent of all CFCs worldwide.

Before any additional COMPAQ products are manufactured with a "no-clean" process, they will undergo the extensive 1,000-hour reliability test.

Compaq leads in United Kingdom



An industry market research firm – Dataquest – has placed Compaq ahead of all competitors in both number of units sold through all channels and value of units sold in the United Kingdom professional PC market for first quarter 1991.

According to Dataquest, Compaq led both IBM and Apple during the first quarter, selling 11.7 percent of PCs compared with 9.5 percent for IBM and 8.3 percent for Apple. Compaq took an even bigger lead in value – leading with a 20.8 percent share. IBM came in second with a 15.6 percent share in value and Apple had a 5.8 percent share.

To further solidify the company's number one ranking in the UK, Romtec, another industry watcher, puts Compaq in the lead through the indirect channel for February, March and April (most recent figures).

In February, Romtec says Compaq led in number of units sold, with a 20 percent share over IBM's 19.8 percent. In value, Compaq had a 25.6 percent share versus 24.7 percent for IBM. March figures are 18.9 percent for Compaq units and 18.1 percent for IBM, and 24.3 percent for Compaq value and 23.7 percent for IBM. In April, Compaq captured 19.7 percent of units sold through the indirect channel while IBM registered 17.2 percent. In value, Compaq had 26.2 percent while IBM had 22.5 percent.

COMPAQ SYSTEMPRO wins another award, products tops in Top Ten

Not only was the COMPAQ SYSTEMPRO named best network server in *BYTE Magazine's* Readers' Choice Survey, it dominated its category — capturing more than 63 percent of the votes. The COMPAQ SYSTEMPRO has claimed top prize in seven major readers' poll awards since its introduction in November 1989.

"The COMPAQ SYSTEMPRO, with its innovative flexible architecture, multiprocessing, EISA bus and Intelligent Drive Array hard disk controller, is a powerful, technological impressive machine," said Fred Langa, Editor-In-Chief, *BYTE Magazine*. "Beyond the immediate benefits to the users of these machines, Compaq also has done the entire industry a service by helping to

introduce multiprocessor machines to mainstream office environments," he added.

The 1991 *BYTE* Readers' Choice Awards were announced during Spring COMDEX in Atlanta. The annual survey asks readers to select the leading products for daily business and personal use. Categories include Network Servers, Workstations, Database Client Servers, Network Operating Systems and Desktop Publishing.

The monthly publication's circulation is one million readers.

CADENCE Magazine subscribers named COMPAQ PCs as their top choice for AutoCAD (computer-aided design software) applications for the second

consecutive year based on a recently published readers poll.

For the third year, a *CADENCE* Top Ten Awards questionnaire was issued to the magazine's subscribers. When asked to select their top choice among central processing units (CPUs), COMPAQ PCs were chosen two-to-one over competitors'.

"Compaq offers a full family of high-performance PCs and PC systems, including the recently announced COMPAQ DESKPRO 486/50L, our most powerful PC, which addresses the needs of engineers and other technical professionals who demand the highest levels of performance, reliability and compatibility," Lori Strong, Vice President, Product Marketing, said.

According to Dataquest, a market research firm, Compaq shipped more PC units worldwide into the CAD marketplace than any other computer vendor.

The monthly *CADENCE Magazine* is published by Ariel Communications for people using Autodesk, Inc.'s AutoCAD software package for desktop computers and workstations. It has a circulation of 60,000 worldwide.

"Since we began the *CADENCE Magazine* readers poll three years ago, COMPAQ PCs have consistently won top awards in the CPU category," says Kathleen Maher, Managing Editor. "COMPAQ PCs clearly are first choice for CAD applications among the people who know best — AutoCAD end-users."

Company climbs ranks in Global 500

The company has moved up 61 places to number 377 in *Fortune Magazine's* 1991 listing of the world's largest industrial corporations. The companies are ranked by 1990 sales.

In addition to the higher revenue ranking, the company's Global 500 ranking in terms of profits jumped to number 125 from 182. Compaq also ranked number one in terms of profits as a percent of sales in the computers category for the second straight year.

"Compaq's rise in *Fortune's* Global 500 is a result of the company's early focus on building a competitive worldwide strategy," says Eckhard Pfeiffer, Executive Vice President and COO. "Effective international manufacturing,

product marketing and distribution have contributed to Compaq's ability to successfully compete in global markets."

Fortune Magazine has published the Fortune 500 list of largest U.S. industrial corporations since 1955 and introduced the Global 500 last year to reflect the significance of the industry's worldwide expansion. The Global 500 combines data from the U.S. Fortune 500 listing and International 500, first published in 1976, which included only companies outside the U.S. The 1991 Global 500 is published in the July 29 issue of the magazine.

Compaq, the first company to enter the Fortune 500 in less than four years, ranked number 136 in the 1991 Fortune 500, published last April.

Compaq tops Toshiba in laptop ratings

The COMPAQ SLT/286 was given the highest ratings in six of nine categories — making it number one overall — in the June 24 *Computerworld* Buyers' Scorecard section.

Laptop users ranking various laptop PCs placed the COMPAQ product at the top of their lists in categories including compatibility with current software, quality of system, durability and ruggedness, processing performance, screen readability, ease of maintenance and size.

The Toshiba America Information Systems Inc.'s TI600 placed second overall, capturing the highest ratings in only three categories. The Zenith Data Systems' Supersport 286 ranked highest in one category, placing it in third place overall. The ratings are based on 50 users per product based on Intel's 80286 chip.

All laptop users polled ranked compatibility with current software as most important — a category Compaq easily won.

'Most powerful computer' serves those with highly technical needs

continued from page 1

reinforce its position as the No. 1 supplier of PCs for the computer-aided design (CAD) marketplace."

According to the market research firm Dataquest, Compaq shipped more units worldwide into the CAD marketplace than any other computer company. A *CADENCE* magazine poll also identified COMPAQ PCs as the top choice for AutoCAD computer-aided design software applications.

The new computer combines the latest advances in memory, input/output and disk-drive technologies. It uses Intel's most advanced PC microprocessor, the 50-MHz 486. And it features an Extended Industry Standard (EISA) expansion bus to meet the needs of high-performance users.

With its high levels of performance, reliability and compatibility, the COMPAQ DESKPRO 486/50L is right for those who need a network server or multiuser host running applications that require more processing power

at the server.

The new product is the company's first to incorporate a 510-megabyte fixed disk drive. The new drive has average access time of 12 milliseconds and is available in 1.02-gigabyte drive pairs using Intelligent Drive Array (IDA) technology. This technology increases performance and reliability in file server environments with multiple drives responding as one to request for data.

With internal and external storage combined, this computer can be configured to store the equivalent of 10 million typewritten pages of information.

Compaq also announced the availability of its release of MS-DOS version 5 (see sidebar).

The company also will offer LicensePac, a licensing agreement and warranty for MS-DOS version 5 as published by Compaq. LicensePac is for users who don't require documentation or a diskette.

MS-DOS 5 offered by company

Compaq is offering its own version of Microsoft's MS-DOS version 5.

Improvements to the latest version of the industry-standard operating system include lower memory requirements, an enhanced graphical-based MS-DOS Shell interface and an improved COMPAQ FASTART utility which simplifies installation on COMPAQ PCs. The Compaq version is designed to optimize the performance of COMPAQ computers.

MS-DOS 5 requires only 18K-bytes — instead of the previously required 60K-bytes — of the 640K bytes of conventional memory, with the remaining amount loading itself into the High Memory Area (HMA) on 286- or higher-based PCs.

The new, rewritten, graphical-based MS-DOS Shell provides an alternative to the text-based MS-DOS prompt with an improved easy-to-use interface. The menu-driven MS-DOS Shell allows directories and files to

be easily manipulated with a few keystrokes or mouse — allowing users to quickly move between files, switch between applications and readily perform common commands. It is also consistent with such graphics-based operating environments as Microsoft Windows.

This version provides specific features which are supported on COMPAQ PCs and options. COMPAQ FASTART is an easy-to-use utility that installs or upgrades MS-DOS and simplifies system configuration. Other features supported by company PCs include an easily retrievable graphics-based HELP feature, with extensive on-screen explanations, and 132-column video support.

MS-DOS version 5 also includes useful data recovery tools for quickly locating and recovering accidentally deleted files, and a task swapper, which reduces the time required to move between applications.

Company launches Japanese subsidiary

After years of research and preparation, Compaq announced the opening of Compaq KK, its Japanese subsidiary, this month. Headquartered in Tokyo, the new subsidiary brings the company's total to 20.

Plans call for the introduction of a product line designed for the Japanese market in the first half of 1992. These products, incorporating both Industry Standard Architecture (ISA) and Extended Industry Standard Architecture (EISA), will operate in any language — including Japanese.

During opening ceremonies, Eckhard Pfeiffer, Compaq COO, called Compaq KK a "significant new direction" for the company. He added that Compaq is not a newcomer to the Japanese market, pointing out that the company established a purchasing office in Tokyo in 1986 and a technical office in Yokohama in 1989. The company

has three authorized dealers in Japan — ComputerLand, Marubeni and Businessland.

"As we expand our activities here in Japan, we are looking forward to greater participation in one of the world's most important PC markets — certainly one of the most challenging business environments in the world," he told assembled Japanese press members and businesspeople during his announcement of the subsidiary. "We believe this is a very exciting time for Japanese business. And, as companies in Japan become more receptive to the concept of industry standard computing and networked PC systems, we hope to be able to contribute to this evolving market as we cooperate with Japanese companies in further development of open industry standards."

Pfeiffer assured those attending the announcement that the products offered

in Japan will provide the highest levels of global compatibility, performance, flexibility and features. He pointed to the company's long-term relationships with other PC industry leaders and our extensive support agreements with major software companies as assurances of continued compatibility. He also explained how the company's participation in the Advanced Computing Environment (ACE) Initiative will result in a standards-based range of hardware that will run a wide variety of applications software across a range of platforms — those already in use, and those to be developed.

Pfeiffer also announced that Masaru "Vic" Murai has been named as president of Compaq KK. Murai, who also spoke during the opening ceremonies, comes to Compaq with 29 years of experience with IBM in Japan.

Company announces Mexican subsidiary

continued from page 1

City. Seventy percent of all PCs sold in the country are sold there with 15 percent sold in Monterey, 10 percent in Guadalajara and 5 percent in other cities.

During the official opening, Pfeiffer spoke of the proposed free trade agreement between Mexico and the U.S.

"Of course, we wholeheartedly support the movement toward a free trade agreement between our two countries," he said. "As artificial barriers to business interaction disappear, fruitful business relationships can flourish. When entrepreneurs, investors and manufacturers can interact freely to take advantage of new and exciting markets, the creativity unleashed can be extraordinary. We are excited to see Mexico moving in this direction."

Getting to know you

Compaq Japan employees get acquainted



Compaq KK President Vic Murai doing his impression of Frank Sinatra.

Employees of the two Compaq offices in Japan gathered recently for a company meeting and a bit of fun. After holding a business meeting, the group adjourned to Tokyo Bay for a boat ride, dinner and a sing-along, known as Karaoke in Japan.

The outing gave the Japanese employees a chance to become acquainted with each other and with Masaru "Vic" Murai, President of Compaq KK, the new Japanese subsidiary.

Before announcing the subsidiary this month, Compaq operated two offices in Japan — an international purchasing office in Tokyo and an international technical office in Yokohama. These two offices, along with new sales and marketing and other support personnel, make up the newest Compaq subsidiary.



Amy Saito and Takuo Tsukamoto, both of the Tokyo office, join in a duet.

Thanks to entrants

Thanks to everyone who sent in their response cards from the May *Inside & Out*. The 10 winners of the drawing of response cards are: William Anderson, CCM3; Dan Buckwalter, CPN; Martha Donnelly, CCM2; Gerard Jands CCA8; Marina Miranda, Costa Mesa; Denise Orman, CCA1; Janet Pasley, CWI; Marco Schiavetta, Italy; Debbie Stofcheck, CCA12; and Chris Tan, Singapore.

These lucky winners won a Compaq T-shirt.

Congratulations and thanks for entering!

Don't forget to send in your card from this month's issue!

Story idea for *Inside & Out*? Send it to *Inside-Out Suggestion @ Corp Rel @ Mkt Hou on the Banyan network (under Suggestion on pop-names) or mail code 120703*.

Did you know?

According to a *Computer Reseller News* poll taken at PC Expo in New York in late June, Compaq and IBM products are preferred over other brands. Out of 753 PC Expo attendees polled, 63 percent gave a positive response to the question, "In the past, were the majority of your company's microcomputer products made by IBM or Compaq?"

* * *

In another *Computer Reseller News* poll, 84 percent of respondents said their company switched PC brands in the past year because of price. Fifty

five percent said they switched due to performance, 40 percent switched because of service/support and 37 percent switched based on quality.

Service and support is number one with many accounts. According to the trade magazine, *Victoria Fellows*, a senior systems analyst with Johnson & Johnson Inc., says, "The few times we've bought cheaper brands, we haven't been able to get parts when we need them." *Fellows* now buys her computer products only from IBM and Compaq, the magazine adds.

A bit of history

When Bryce Howe, Compaq Project Administrator International, spent two weeks in Scotland recently working on completion of a worldwide Engineering configuration database, he found time to do some sightseeing and photography.

He didn't have to go far from the company's two Scottish facilities to take pictures of some of the area's most interesting landmarks.

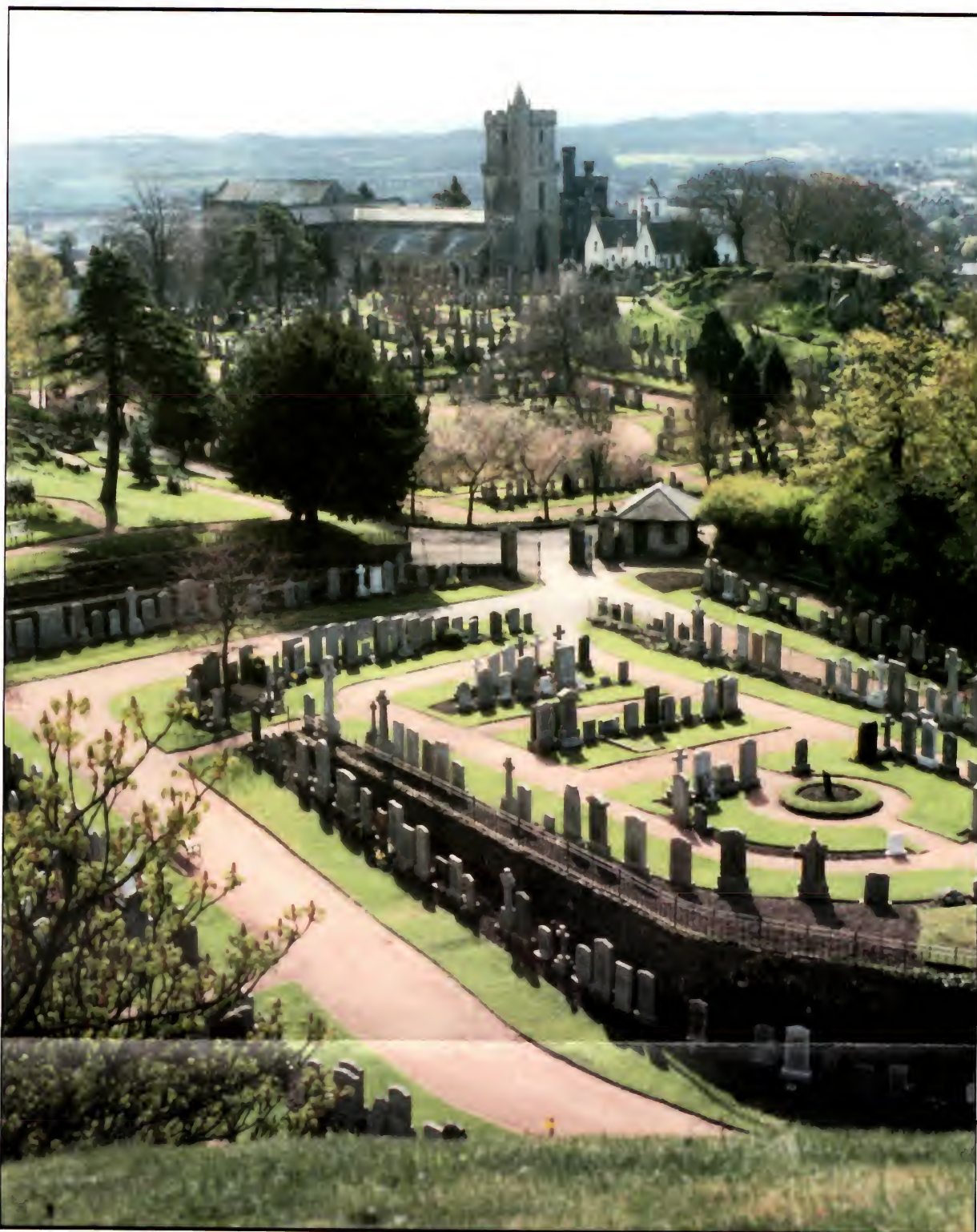
The Compaq Stirling facility sits in the shadow of the Wallace Monument and is near Stirling Castle. An historic church and graveyard are next to the Erskine manufacturing site.

Stirling Castle and the Wallace Monument sit on peaks opposite one another. From these two landmarks, Sir William Wallace and Robert the Bruce, King of Scots, kept the British at bay for 16 days in 1296 before falling in the battle of Stirling Bridge.

FYI — Wallace Monument is not a castle as commonly thought. It is a "keep," which includes a gatehouse and battlement.

Besides the wonderful tourist attractions, Howe says Scotland should be known for its jovial people.

"The Scottish people have an immense amount of fun," he says. "When they leave work, they don't rehash work-related events or talk about their job. I've never seen people who so thoroughly enjoy being alive."



The Wallace Monument sits behind Compaq Stirling, left. Above, an historic Presbyterian Church and graveyard are near the Compaq Erskine Manufacturing facility.

Photos by Bryce Howe

Striking a balance

Volunteering becomes way of life

Like many people, Stewart Gill spends the majority of his time at work. The remainder of his time is spent with his family, leaving very little time for himself – and certainly no time for giving back to the community.

Yet Gill, Director, Corporate Compensation and Benefits, was recently honored for his outstanding and exceptional volunteer service to the American Heart Association in Texas. How did he manage that?

Volunteerism

Gill became involved in the Northwest Harris County chapter of the charitable association in early 1988, soon after starting work at Compaq. Working for Jim Eckhart, retired Human Resources vice president and open heart surgery recipient, provided a great incentive to get involved, Gill explains.

"When the nominating committee and the president of the Board asked me to become involved, it just seemed like the right thing to do," he says. "I had never done much volunteer work. I spent 70 percent of my time at work, 29 percent with my family and maybe 1 percent on myself."

That year, Gill took charge of the group's annual business drive for contributions. The chapter had recently been established, and there was very little organization. By the time he finished, Gill had enlisted more than 100 people to help with the business drive – which collected over \$30,000 for the organization that year.

That got the ball rolling and soon Gill was asked to serve as president-elect on the board of directors. He next found himself serving as president.

"It's been nice to be able to make some kind of contribution. I've focused on bringing a lot of new people – enthusiastic people – into the organization," he says. "This geographic area is

growing each year and so is the local American Heart Association chapter."

Striking a balance

Gill says he enjoys volunteering with the American Heart Association because it strikes a good balance in its charitable efforts. Not only does the organization fund heart research for the future, but it also does things that make a difference today, such as proper diet education. Angioplasty, opening the clogged arteries of the heart by inserting and expanding a "balloon," and advancements in open heart surgery technology are two examples of heart research breakthroughs, Gill says.

His wife, Cathy, is also involved in the group, and together they will organize this year's annual Turkey Walk.

Distinguished service

Gill received the Distinguished Service Award for the Greater Houston Metropolitan Region of the American Heart Association this year for his dedicated service. A research grant will be named in his honor.

"It's been a good feeling knowing I've made a difference. I helped bring in new people, get the group more organized and built an infrastructure for future success," he says.

Now that he's completed his term as president, will he continue in his service to the organization? He says he will serve on the Heart Association Board for another year. He explains that as his son, 10, and daughter, 13, get older, there are more time commitments he wants to make to them – such as helping coach his son's basketball team.

"We all make choices. Do I get the project done or attend my son's last baseball game of the year? It's a tough dilemma," he says. He adds that he plans to continue his volunteer service in some capacity – maybe a little less vigorously for a while.



Stewart Gill



In Belgium, as in Houston, billboards are a common part of the "advertising landscape." So, Compaq Belgium and its advertising agency HHD-Ogilvy and Mather began a billboard advertising campaign based on the Compaq pan-European advertising concept. The two billboards – one in French, the other Dutch – will change location every two weeks and will be circulated throughout the year in the four major Belgian cities – Brussels, Gent, Antwerpen and Liège.

The billboard shows Compaq a "foot ahead." In English, the headline reads "In the world of portable PC's everybody goes ahead but not at the same speed."

Advantage events: How Compaq maximized sponsorship

Editor's note: The following is a reprint from Special Events Report, an advertising and promotion publication in the United Kingdom. The article — focusing on how Compaq used an integrated approach to sponsorship of the Grand Slam Cup — was written by David Fuller, sponsorship director at London's Shandwick Sponsorship.

Despite Compaq's success — from start-up in 1982 to Fortune 500 by 1985 — awareness of the company was low, particularly in Europe.

Research found that although people aware of Compaq knew it well, they were generally from traditional computer markets — industry, manufacturing and finance. Compaq wanted to bring its products to the "man in the street," an objective that required a shift in marketing strategy.

The company recognized sponsorship as a medium capable of increasing brand awareness, but never had allocated significant financial resources to capitalize on the opportunity.

Compaq also saw sponsorship as able to provide a lifestyle dimension difficult to create through more conventional marketing. In addition, the company wanted to establish a powerful and unique communications tool free of the clutter associated with other media.

In 1990, Compaq began its search for the right sponsorship. It wanted a prestigious event that would achieve several objectives: Enhance Compaq's image, reach a broad international audience, demonstrate product leadership in a memorable way, provide hospitality programs and reach employees and dealers through promotions.

Compaq believed such a sponsorship could fit alongside advertising, PR and sales promotion, complementing rather than replacing these disciplines and providing unifying themes and platforms. Yet sponsorship's function would have to be stated in terms of communication tasks and integrated within the framework of other elements if the goals were to be achieved.

Compaq needed an opportunity that could provide its wholly owned subsidiaries worldwide with a flexible and cost-effective initiative while ensuring a unified brand message. They also needed a sponsorship that achieved its marketing strategy of increasing awareness in Europe, one of the industry's largest growth markets.

"Initially, we looked at Formula One racing and golf, but became more convinced that tennis not only had the right demographics and lifestyle association for the company, but the potential to meet our specific needs," said Eckhard Pfeiffer, Compaq's Executive Vice President and Chief Operating Officer.

Pro tennis is not new territory for computer companies: NEC has presented the Davis Cup for more than a decade and IBM titles the ATP Tour. Standing out required a breakthrough event.

The Grand Slam Cup, which would associate Compaq with the world's most prestigious tournaments by bringing together the best of Wimbledon and the U.S., French and Australian Opens, fit the bill. It was the richest event in tennis history; Compaq positions products on quality rather than price.

The Cup was sold to Compaq by Advantage Int'l, which had developed the event's marketing plan with Telviri B.V., holder of

marketing and TV rights to the event.

Compaq signed a five-year contract. Its marketing team developed a five-year plan encompassing four phases: learning, fine-tuning, consolidation and review. It also retained specialist agencies, including Shandwick Sponsorship and Munich hospitality expert PSM.

The agencies began working with a Compaq team to get the most out of the first phase. "We knew we had an enormous task in front of us, but we were committed to creating a program of activity that would benefit as many Compaq markets as possible," said Daniel Beauvois, Marketing Communications Manager, Compaq Computer Europe.

Implementation Teams in Compaq's Houston corporate office and Munich, its European headquarters, concentrated on devising a support program to cross national barriers. Subsidiaries committed resources to develop their own support programs, including a mix of advertising, PR and sales promotion.

To ensure ideas and resources were shared to optimum effect, Compaq implemented an internal communications plan to reach sales staff in 65 countries, as well as 11,000 employees in the U.S. and manufacturing sites in Scotland and Singapore.

Educating subsidiaries was a top priority. Compaq distributed a weekly tennis bulletin that kept subsidiaries well-informed about sponsorship developments. "We had to become tennis experts overnight," said Antonia Konzotis, PR Manager for Compaq Computer Europe. "Not only did we have to learn more about the sport itself, we had to find out about organizations that control it and how the sports press works. Only with this knowledge could we build relationships and be seen as a committed, credible sponsor."

Compaq created its media relations plan with several goals in mind: to guarantee a consistent message in all markets and combat the negative aspect to much pre-event media coverage, which emphasized issues such as prize money and the event's format.

The tournament was broadcast in live, highlight or news formats in more than 60 countries. Compaq ran a TV ad campaign in select markets including France, Germany and the U.S. The spots communicated the corporate brand message rather than product messages.

Since Compaq recently had established authorized dealers in Yugoslavia, Hungary, East Germany, Taiwan, South Korea and Hong Kong, it negotiated broadcasting rights in return for free ad time in the Eastern Europe and Asian markets. It also developed Pan-European and Pan-Asian press concepts to ensure leverage of the tie-in.

Overruns of an advertorial that appeared in *The European* were distributed to subsidiaries for mailings to key clients and dealers. A special wraparound edition was published in Germany: about 10,000 copies were distributed to Munich hotel rooms, the tournament's host city.

Special on-court signage and on-screen graphics were created for TV broadcasts. As a result, the German host broadcaster showed Compaq on screen for 67 percent of the total broadcast time.

Product tie-ins "We committed substantial human and financial resources to provide a sophisticated information service for journalists, sports commentators, spectators and players," Beauvois said.

The data base consisted of a 100-computer network, ranging from notebooks and laptops to desktops. The system provided personal player profiles and on-line match statistics updated every 30 seconds. Additional services, such as a fax, printing and word processing facility, were available to journalists. By linking the stadium, press office, demonstration areas and hospitality lounges, Compaq ensured everyone could access the data base.

Research at the event indicated that the data base increased awareness among spectators and the press. Attendees saw it as a genuine and unique service; TV commentators viewed it as a particularly useful tool. Most importantly, instead of just being identified as a commercial sponsor, Compaq was recognized as a major contributor to the management and success of the event.

Sales promotion To fuel sales at its 3,500-plus Authorized Dealers worldwide, Compaq offered incentive programs; dealers could attend the event with key customers. Two German dealers were able to promote their own companies and Compaq products by setting up stands at the stadium.

Compaq also produced branded promotional items, including posters, stickers, seat cushions, flyers and tennis gear, which it distributed to dealers, customers and the media. Compaq did not acquire the rights to sell merchandise at the event.

Local angles were key to sales promotion. Compaq Sweden, for example, set up an airport information stand during the Stockholm Open and arranged hospitality for clients.

Hospitality "We believed our involvement with the tournament would give us a very special chance to build and enhance relationships at every level — with media, major accounts, dealer principals and employees — in an exclusive and entertaining

environment," Pfeiffer said.

Subsidiaries could choose between two travel, hotel and entertainment packages. Sixteen countries participated in the program; 600 guests attended each day. Compaq personnel staffed welcome desks at the airport, three official hotels and the stadium.

"Coordinating these programs was complex, but we were determined to give as many people as possible the chance to be involved," said Maxine Message, event coordinator, Compaq Europe and International. Compaq extended its hospitality ties to this year's Australian Open and will implement smaller packages at the other Grand Slam events through 1991.

Evaluation A global media monitoring program recorded the quality and quantity of TV and press coverage. It was designed to establish the level of media interest in each market, ascertain the commercial content of the coverage and identify weaknesses.

In Germany, for example, 2,296 minutes of the event were broadcast, achieving a total reach of 45.3 million. In the U.S., the event appeared on TV for 1,320 minutes, mainly during ESPN coverage. Incidental coverage in news and sports anthology programs significantly enhanced aggregate reach figures.

In markets where subsidiaries undertook promotional activities to leverage the event, research indicated substantially higher levels of branded coverage. This data will be used to plan programs in years two through five.

Compaq also surveyed attendees to establish a profile of the audience in the 15,000-seat stadium and recall of Compaq as title sponsor. Another survey, conducted across all the accredited journalists at the event, revealed ways to improve the facilities, service and organization.

The results of a questionnaire showed that without exception, they were satisfied with the hospitality in Munich.

Compaq will repeat these surveys to provide a complete picture of the event. Having established a benchmark in year one, the company can precisely measure future success.

Wimbledon serves new points for Compaq Grand Slam Cup

With Wimbledon now over, only the US Open is left to be contested in the count-down toward the 1991 Compaq Grand Slam Cup.

The top 16 players, based on their performance at the four other Grand Slam events (the Australian Open, French Open, Wimbledon and the US Open), will receive invitations to the second annual event in December.

Boris Becker remains in a commanding lead at the top of the points ranking, even though he has failed to match his impressive win at the Australian Open at the beginning of the year. Other players certain to qualify for the Compaq Grand Slam Cup include Wimbledon champion Michael Stich — following his victory over Becker.

On his way to the finals, Stich defeated other players in line for the Compaq event. He bested Stefan Edberg (750 points) and Jim Courier (825 points). Ivan Lendl was defeated

by David Wheaton and now trails in sixth position with 490 points.

The Munich Olympiahalle will again be the setting for the Compaq Grand Slam Cup, established as the finale to the Grand Slam events.

The importance of the Compaq Grand Slam Cup to the tennis year has been acknowledged by many of the top-ranked players, including Becker, who stated, "This tournament is an unbelievable chance for Germany to have the fifth most important tennis tournament in the world and will ensure that the prestige of tennis in Germany continues when Steffi (Graf) and I are no longer around."

Other players in line for the Compaq-sponsored event include Andre Agassi, Ivan Lendl, Guy Forget, Patrick McEnroe, David Wheaton, Jaime Yzaga, Thierry Champion, Goran Prpic, Christiano Caratti, Jakob Hlasek, Michael Chang and Franco Davin.

Redbirds fight way to winner's circle

The Redbirds fought their way out of the loser's bracket to beat the Raiders twice and win the Compaq ACE Softball Tournament.

The annual tournament, held at Sportsman's Park, was postponed twice due to rain, but that didn't dampen the spirits of the Compaq players.



A mighty swing. This batter keeps his eye on the ball as he attempts to put it out of the park.



Y'er safe! Where's the ball? This runner made it safely to base thanks to an elusive softball.



Acrobatic throw. Sometimes adding a bit of showmanship can help the accuracy of a throw.



Concentration. A great pitch requires focused thought and sometimes sticking out your tongue can help.

COMPAQ